



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

June 21, 1999

CERTIFIED RETURN RECEIPT
P 074 978 526

Edward Cronick
Clearwater
1760 Abbott Road
Anchorage, Alaska 99507

Re: Bond #76-0120-07851-99-2 Returned, NEICO, Wellington Preparation Facility,
ACT/007/012, Folder #3, Carbon County, Utah

Dear Mr. Cronick:

Pursuant to a letter received from James W. Scott on June 14, 1999 (attached), I am returning the above-noted bond. This bond is being returned pursuant to deficiencies I identified in my letter of May 27, 1999.

If you have any questions, please call me.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Pamela Grubaugh-Littig'.
Pamela Grubaugh-Littig
Permit Supervisor

tam

Enclosure (Original Bond)

cc: James W. Scott, EarthCo
Mary Ann Wright

O:\007012.WEL\FINAL\RETURNBO.WPD

TM DOG 6/21/79 ACT/007/012 FILE RETURN OF BOND

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional services, registered.
1 ☒ Show to whom delivered, date, and addressee's address. (Extra charge)
2 ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: EDWARD CRONICK CLEARWATER 1760 ABBOTT ROAD ANCHORAGE AK 99507		4. Article Number P 074 978 526 0008
5. Signature <i>[Signature]</i> X <i>[Signature]</i> 6. Signature Agent X <i>[Signature]</i>		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED
7. Date of Delivery JUN 21 1979		8. Addressee's Address ONLY if requested and fee paid

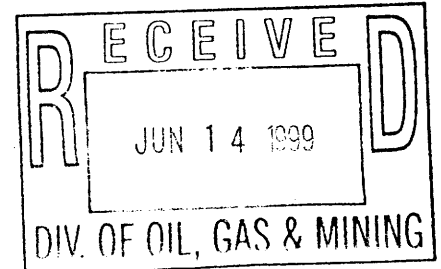


EARTHCO

Reclaiming the Earth's Resources

June 10, 1999

ACT/007/012 #2
Copy Pam



Pamela Grubaugh-Littig
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple
Salt Lake City, UT 84114-5601

RE: Bond #76-0120-07851-99-2, In the amount of \$3 Million.

Dear Pamela:

Thank you for your letter of May 27, 1999. You have pointed out some deficiencies regarding the \$3 Million Bond and requirement for the permit transfer. We are aware that there remains \$4.9 Million of bond and that the bond submitted is for \$3 Million. In order to solve this issue we are still hopeful that Andalex will commit to the purchase of Parcel D, thereby reducing the bond by \$1.9 Million. However, we are negotiating with other potential users of Parcel D as well as pursuing the posting of a letter of credit for the \$1.9 Million. We are in constant contact with NEICO and the other parties having an interest in this project.

I have discussed the issue about the bond with Edward Cronick at Clearwater, he suggested that you return the bond directly to him at 1760 Abbott Road, Anchorage, Alaska 99507. His phone number is (907) 522-3638. He will take care of the deficiency and have it ready to submit when we are ready to finalize the permit transfer.

Thank you for your efforts.

Regards,

EARTHCO

James W. Scott
President

cc: Ed Cronick
Jerry Slusser



EARTHCO

Reclaiming the Earth's Resources

May 19, 1999

ACT/007/012

original to Fireproof
Copy Pam

Mr. Lowell Braxton
Deputy Director
State of Utah
Department of Oil, Gas & Mining
1594 West North Temple Street, Suite 1210
Salt Lake City, UT 84114-5801

RE: Wellington Prep Plant

Dear Lowell:

Please find enclosed the Reclamation Bond in the amount of \$3 million for the Wellington property. Both Ed Cronick and myself have executed it as managing members of WCP Development, LLC. WCP Development, LLC has submitted an application to transfer the permit for this project. Andalex has asked to extend their option for another 30-day period, which Nevada Power and EARTHCO have agreed to. We feel this is a good indication that Andalex is proceeding with their assessment of their loadout facility.

I will be meeting with Andalex and our new partner, Clearwater Environmental, in Salt Lake City in two weeks. I would like to meet with you and will contact you to schedule a meeting.

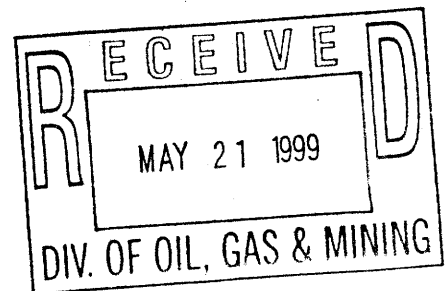
Thank you for your continued support.

Regards,

J.W. Scott

JWS:jh

Enclosure: Reclamation Bond



**Exhibit "B"- BONDING AGREEMENT
SURETY BOND**

Permit Number: 007/012

Bond No. 76-0120-07851-99-2

**SURETY BOND
(NON-FEDERAL COAL)
--ooOOoo--**

This **SURETY BOND** entered into by and between the undersigned **PERMITTEE**, and **SURETY**, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas & Mining (**DIVISION**) in the penal sum of \$ 3,000,000.00 (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of the Reclamation Agreement.

This **SURETY BOND** will remain in effect until all of the **PERMITTEE's** reclamation obligation have been met and released by the **DIVISION** and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, the approved permit, and the **DIVISION**.

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** from all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE's** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE** and to the **DIVISION** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirement which could result in suspension or revocation of the **SURETY's** license.

Terms for release or adjustment of the **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE** in the **RECLAMATION AGREEMENT** incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

**Exhibit "B"- BONDING AGREEMENT
SURETY BOND**

Permit Number: 007/012

IN WITNESS WHEREOF, the PERMITTEE has hereunto set it's signature and seal
this 10 day of MAY, 1999.

PERMITTEE WCP Development, LLC

By: 

Title: Edward S. Cronick, Managing Member

PERMITTEE WCP Development, LLC

By: 

Title: James W. Scott, Managing Member

IN WITNESS WHEREOF, the SURETY has hereto set it's signature and seal this

7 day of MAY, 1999.

United States Fidelity
and Guaranty Company

SURETY

By: 

Title: James L. Ferguson, Attorney-In-Fact

ACCEPTED BY THE STATE OF UTAH:

Lowell P. Braxton, Director
Division of Oil, Gas & Mining

United States Fidelity and Guaranty Company

Power of Attorney

No. 110850



Know all men by these presents: That **United States Fidelity and Guaranty Company**, a corporation organized and existing under the laws of the State of Maryland and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint **James L. Ferguson, John Wheatley, Kurt Imig, Christin M. Sweet and Lisa M. Battista**

of the City of Anchorage . State of Alaska its true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Company in its business of guaranteeing the fidelity of persons; guaranteeing the performance of contracts; and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, the said **United States Fidelity and Guaranty Company**, has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice President and Assistant Secretary, this 10th day of April .A.D. 19 98.



United States Fidelity and Guaranty Company,

(Signed) By Gary A. Wilson Vice President

(Signed) By Thomas E. Huibregtse Assistant Secretary

State of Maryland)

Baltimore City)

SS:

On this 10th day of April .A.D. 1998 , before me personally came Gary A. Wilson, Vice President of **United States Fidelity and Guaranty Company**, and Thomas E. Huibregtse, Assistant Secretary of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said, that they, the said Gary A. Wilson and Thomas E. Huibregtse were respectively the Vice President and the Assistant Secretary of the said **United States Fidelity and Guaranty Company**, the corporation described in and which executed the foregoing Power of Attorney, that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice President and Assistant Secretary, respectively, of the Company.

My Commission expires the 1st day of August .A.D. 1998.



(Signed) By Thomas E. Huibregtse Notary Public

This Power of Attorney is granted under and by authority of the following Resolutions adopted by the Board of Directors of the **United States Fidelity and Guaranty Company** on September 24, 1992:

Resolved, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or an Executive Vice President, or a Senior Vice President, or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached.

Resolved, That Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, Thomas E. Huibregtse, an Assistant Secretary of the **United States Fidelity and Guaranty Company**, do hereby certify that the foregoing are true excerpts from the Resolutions of the said Company as adopted by its Board of Directors on September 24, 1992 and that these Resolutions are in full force and effect.

I, the undersigned Assistant Secretary of the **United States Fidelity and Guaranty Company**, do hereby certify that the foregoing Power of Attorney is in full force and effect and has not been revoked.

In Testimony Whereof, I have hereunto set my hand and the seal of the **United States Fidelity and Guaranty Company**,

on this _____ day of _____, 19____



Thomas E. Huibregtse
Assistant Secretary